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AT SEATTLE
CLERK U.S. DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
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UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
AT TACOMA

UNITED STATES OF AMERICA,
Plaintiff,

v.

MICHAEL A. NEWMAN,
Defendant.

NO. CR 10-5432 BHS
INFORMATION

The United States Attorney charges that:

COUNT 1
(Conspiracy)

1. Beginning in or about May 2007, and continuing until in or about September 2009, at Tacoma, within the Western District of Washington, and elsewhere, MICHAEL A. NEWMAN and Dale Frantz, did knowingly and willfully conspire, combine, confederate and agree to commit offenses against the United States, to wit: Wire Fraud, in violation of Title 18, United States Code, Section 1343.

A. Background

2. At all relevant times, Dale Frantz was employed by Auto Warehousing Company ("AWC"), a company based in the Western District of Washington. In 2002, AWC promoted Frantz to the position of Chief Information Officer ("CIO"). As the CIO, Frantz was responsible

1 for acquiring computer equipment and services for the company. AWC authorized Frantz to
2 acquire such equipment and services at his own expense, and to seek reimbursement from the
3 company. Frantz worked at AWC's headquarters in Tacoma, Washington.

4 3. MICHAEL A. NEWMAN controlled and operated Asyncritus Technology, LLC, a
5 Florida corporation.

6 **B. Object of the Conspiracy**

7 4. The object of the conspiracy was for MICHAEL A. NEWMAN and Dale N.
8 Frantz to devise and execute a scheme and artifice to defraud and to obtain money and property
9 by means of materially-false and fraudulent pretenses, representations, promises, and the
10 concealment of material facts.

11 5. The essence of the scheme and artifice to defraud was for MICHAEL A.
12 NEWMAN to fraudulently obtain money and property from Auto Warehousing Company
13 ("AWC") through the submission of fake invoices and supporting documentation for
14 reimbursement.

15 **C. Manner and Means of the Conspiracy**

16 6. It was part of the conspiracy that Dale Frantz, with the knowledge of MICHAEL
17 A. NEWMAN, submitted to AWC fake invoices and supporting documentation from Asyncritus
18 Technology for services that had not been performed and goods that had not been provided.
19 AWC issued checks to Asyncritus Technology in response to the fraudulent invoices. Frantz
20 mailed these checks to MICHAEL A. NEWMAN who cashed them in accounts that he
21 maintained. On occasion, MICHAEL A. NEWMAN wired a portion of the funds back to Frantz
22 at Frantz's direction.

23 7. It was further part of the conspiracy that MICHAEL A. NEWMAN and Dale
24 Frantz obtained over \$230,000 in fraudulent reimbursements from AWC through the manner and
25 means described above.

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D. Overt Acts

8. On May 19, 2009, Dale Frantz submitted fraudulent paperwork to AWC seeking reimbursement for \$30,342.87 for the purchase of a Nagios Network Monitoring Appliance from Asyncritus Technology. The paperwork that Frantz submitted included an invoice from Asyncritus Technology that he had created. In fact, Asyncritus Technology had not sold this product to AWC.

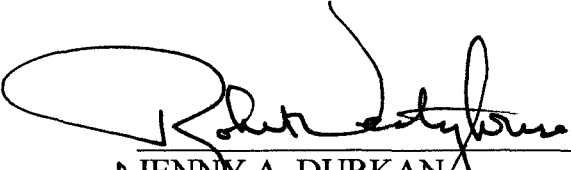
9. On May 19, 2009, AWC issued a check for \$30,342.87 in response to the fraudulent paperwork that Frantz had submitted. Frantz delivered the check to MICHAEL A. NEWMAN who knew that Asyncritus Technology was not entitled to the funds and that the check had been procured by fraud.

10. On May 20, 2009, MICHAEL A. NEWMAN deposited the check into an account that he controlled.

11. On May 28, 2009, MICHAEL A. NEWMAN, acting at Dale Frantz's direction, wired half of these funds, \$15,171.43, to an account that Frantz controlled. The bank wire transfer traveled via interstate wire from Florida to Washington.

All in violation of Title 18, United State Code, Section 371.

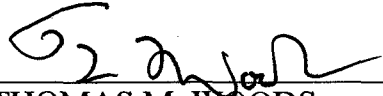
DATED this 29th day of June, 2010.



JENNY A. DURKAN
United States Attorney



ANDREW C. FRIEDMAN
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THOMAS M. WOODS
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